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Contact: Robin Winchell (202) 225-4031

WASHINGTON, DC- U.S. Rep. Charlie Melancon praised the House of Representatives for passing H.R. 4761 the Deep Ocean Energy Resources (DOER) Act today by a vote of 232 to 187. Melancon was instrumental in building support among Democratic members of Congress for the DOER Act, whipping 39 fellow Democrats to vote with him in favor of the legislation, which will provide \$8 billion in new revenue for Louisiana's hurricane protection and coastal restoration system. Following the vote, Melancon offered the following comments:

"I applaud the U.S. House of Representatives for passing the DOER Act today and I encourage the Senate to also recognize the importance of this legislation and also vote for passage," said Melancon. "In Louisiana, this bill will ensure that for the first time since drilling began off our coasts 50 years ago we will receive a fair share of the royalties this industry generates for the federal treasury. I am also proud of our state legislature for passing a constitutional amendment dedicating this new revenue to our most important need in coastal Louisiana: building a comprehensive hurricane protection and coastal restoration system that will protect a vulnerable population of over 1 million."

House Democratic Whip Steny Hoyer (MD) offered the following praise, "Congressman Melancon is a tireless advocate for the people of Louisiana's Third District. His work on this legislation is an example of how he stands up for what he believes is right for those he represents."

Congressman Melancon garnered support for the bill from nine fellow Democrats on the House Resources Committee, leading to its 29-9 passage last week. Melancon and other leading members of the House Resources Committee negotiated the comprehensive DOER Act from the more than two dozen Outer-Continental Shelf-related bills introduced this Congress. The DOER Act is a bipartisan bill giving coastal states the authority to allow energy production, if desired, and benefit from increased revenue from shared royalties.

The DOER Act, with today's amendments accounted for, would provide about \$8 billion for Louisiana over the next 10 years in oil and natural gas royalties. For drilling 3-12 miles off

Louisiana's coast, the state would receive 25% of royalties for the first five years. After year five, the share would increase by 5% a year until year 10, when Louisiana will receive a 42.5% share. From year 10 to 15, the state portion would gradually increase to a final 63.75% share. For drilling beyond 12 miles off Louisiana's coast, the state would receive 6% the first year, increasing gradually to 42.5% by year 15. Based on this formula, the Congressional Budgeting Office revised its score for the bill and now estimates the bill will generate \$900 million in federal revenue by 2016. As a result, the Republican Study Committee announced today it endorsed the DOER Act.

Currently, Louisiana receives only a small percentage of the \$6 to \$8 billion in royalties the federal treasury accrues every year from drilling in federal waters, despite the fact that Louisiana must shoulder the burden of environmental damage, including an eroding coastline, and the cost of infrastructure (ports, highways, etc) that result from the state's support for this industry.

The Louisiana legislature recently passed a constitutional amendment mandating that the revenue-sharing mechanism in this bill will be used specifically to fund the most important need in coastal Louisiana: a comprehensive hurricane protection and coastal restoration system that will cost over \$30 billion and protect a vulnerable population of over 1 million. This amendment will be sent to the voters on September 30.

Without this funding stream, the federal government lacks a mechanism to pull together a comprehensive hurricane protection project. The annual appropriations process would take several decades, if ever, to build and/or strengthen hurricane protection levees and rebuild coastal marshes. In the meantime, coastal Louisiana is facing more storms with increased intensity each hurricane season. The vast majority of the third congressional district (and coastal Louisiana) currently contains NO federal levee system to protect them from these storms.

A comprehensive hurricane protection and coastal restoration system in Louisiana would serve to protect the infrastructure that supports 30% of the oil and 25% of the natural gas consumed in the US, as well as 30% of the nation's total commercial fish landings.

As Katrina and Rita showed, the cost of the status quo will be even more expensive. Congress has already appropriated over \$60 billion in emergency response following these storms as a result of a lack of dependable hurricane protection, and FEMA estimate billions

more will be needed to rebuild New Orleans and coastal Louisiana.

The DOER Act will also alter the restrictions on gas and oil drilling on the Outer Continental Shelf, lowering energy costs increasing domestic energy production and reducing U.S. dependence on foreign oil. The agreement establishes the following guidelines for coastal states, including Louisiana:

- 0-50 miles offshore: Permanent moratoria on oil and gas production, unless a state legislature enacts legislation to opt out of the moratoria.
- 50-100 miles offshore: Moratoria on oil production until June 30, 2010. Moratoria on gas production for one year after law is enacted. After these dates, the moratoria will be lifted UNLESS the state legislature enacts legislation to continue the moratoria.

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